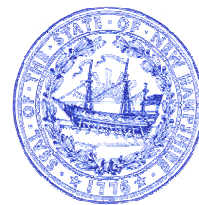




The State of New Hampshire
Department of Environmental Services

Michael P. Nolin
Commissioner



Rep. Robert G. Holbrook, Chairman

Oil Fund Disbursement Board

October 25, 2004

His Excellency, Governor Craig R. Benson
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Accept the annual report of the Oil Fund Disbursement Board (Board).

EXPLANATION

In accordance with RSA 146-D:5, II, RSA 146-E:7, RSA 146-F:6, and RSA 146-G:9, the Board is pleased to submit its annual report on the status of the New Hampshire Petroleum Cleanup Fund Program for the State Fiscal Year ending June 30, 2004. A table entitled, "N.H. Petroleum Cleanup Reimbursement Funds Summary" is enclosed, which lists the various funds, import fees, typical annual revenues, fund type and use, balance as of June 30, 2004, and budget for State Fiscal Year 2005. The enclosed *Petroleum Reimbursement Fund Program Annual Report* includes program background information, objectives and activity information, legislative activity information, a summary of current and historic financial data, cleanup, (i.e., corrective action) cost distribution data, and a discussion and analysis of the various data.

As noted in the annual report, the reimbursement fund program has a long history of service to the citizens of New Hampshire, in providing financial resources to remedy environmental impacts due to releases of petroleum products. (See Table 5 – Eligible Costs By Community.) The three petroleum storage facility funds operate as comprehensive excess insurance that protects facility owner assets and ensures timely and cost-effective corrective action for petroleum contamination. The gasoline ethers fund under RSA 146-G provides relief for the growing problem of MtBE contamination, which affects owners of public and private water supply wells statewide. There are three management issues for the fund program that are of highest concern for the Board. These are: maintaining the financial integrity of the program such that solvency is assured for as long as the funds are needed; reducing the risk of future corrective action expenditures through release prevention; and continued operation on the existing solid foundation of corrective action cost financial controls, whereby costs are based on reasonableness and cost increases are constrained by market forces.

Recently, reimbursement payments for replacement of substandard on-premise-use heating oil storage tank systems under authority of RSA 146-E exceeded a total of \$1,000,000. This important program approved by the Legislature in 1999, provides up to \$1,000 for a low-income homeowner to replace their heating oil storage tank. Replacement of substandard heating oil storage tanks is a major component of efforts to reduce the incidence of heating oil releases to the environment and thus reduce corrective action expenditures. In 2005, legislative members of the Board will sponsor a bill to increase the existing \$1,000 funding limit, which is no longer representative of market conditions.

In 2003, legislation was proposed to transfer \$5M from the Oil Discharge & Disposal Cleanup Fund under RSA 146-D to other funds, which if enacted into law, would have significantly degraded RSA 146-D fund solvency. A bill was ultimately approved (SB 47-FN) that resulted in a (total) \$1M transfer from three funds other than the RSA 146-D fund. As noted in the annual report, this transfer contributed to a temporary cash flow problem and is not expected to have a long-term impact. The Board and DES appreciated the opportunity that was afforded to reach a compromise, versus the legislation that was originally proposed. As the current fiscal year progresses DES staff will monitor financial performance on behalf of the Board. This information will be made available to Governor & Council, and the Senate and House leadership upon request. We would respectfully request that the positive atmosphere of open communication developed while working on SB 47-FN, be maintained as the State Fiscal Year 2006 – 2007 operating budget is prepared.

Of particular concern to the Board and DES, is the increased detection of MtBE in public and private water supply wells in the state. A contributor to this circumstance is the incidence of second releases at existing fund program-eligible underground storage tank (UST) facility locations. Typically, these second releases result from a number of UST design, installation, and operational circumstances that are currently under investigation by DES here in New Hampshire, as well as by agencies of other states, and nationally by USEPA. DES continues to work with petroleum storage facility owners and operators providing educational outreach and direct technical assistance in the area of release prevention. In addition, the Board has requested Governor & Council approval for contracts with the U.S. Geological Survey and Weston Solutions, Inc., to conduct comprehensive studies in 2004 and 2005. These studies will determine the extent of MtBE contamination in public and private water supplies throughout the state and investigate those public water supplies with MtBE contamination to determine what factors, if any, are common to the affected supplies and may have contributed to the contamination.

In October 2003, using data accumulated over thirteen years of fund program operation, and working with individuals representing consultant and contractor corrective action service providers, the Board published a comprehensive program guidance manual that has proven highly successful.

We respectfully request your acceptance of this report.

Rep. Robert G. Holbrook, Chairman
Oil Fund Disbursement Board

Michael P. Nolin, Commissioner
Dept. of Environmental Services

Enclosures

cc: Hon. Thomas R. Eaton, President of the Senate
Hon. Gene G. Chandler, Speaker of the House
Anthony P. Giunta, P.G., Director
N.H. State Library

N.H. PETROLEUM CLEANUP REIMBURSEMENT FUNDS SUMMARY - Annual Report 10/1/04

STATUTE	FUND NAME	PETROLEUM TYPE ¹	IMPORT FEE	TYPICAL ANNUAL REVENUES	FUND TYPE ²	FUND USE	FUND BALANCE (as of 6/30/04)	ANNUAL BUDGET (FY 2005)
RSA 146-D Effective 7/1/1988	Oil Discharge and Disposal Cleanup Fund (ODDCF)	Motor fuels (gasoline & diesel)	\$0.0125/gal	\$12,500,000	Financial responsibility (Excess insurance)	Reimbursement for clean up by owners of regulated motor fuel USTs and ASTs	\$8,009,984	\$10,340,805
RSA 146-E Effective 8/28/1993	Fuel Oil Discharge Cleanup Fund (FODCF)	Heating oil	\$0.01/gal.	\$3,800,000	Excess insurance	Reimbursement for clean up by owners of heating oil facilities (primary homeowners)	\$678,011	\$3,891,497
RSA 146-F Effective 7/1/1995	Motor Oil Discharge Cleanup Fund (MODCF)	Motor oil	\$0.04/gal.	\$250,000	Excess insurance	Reimbursement for clean up by owners of motor oil storage facilities (primarily service stations and automobile dealers)	\$273,194	\$421,878
RSA 146-G Effective 7/1/ 2001	Gasoline Remediation & Elimination of Ethers (GREE) Fund	Gasoline Containing Ethers	\$.0025/gal.	\$1,800,000	Remediation of gasoline ether contamination	Reimbursement to owners of impacted water supplies and source properties	\$1,255,478	\$2,414,933
								Total: \$17,075,113

NOTES:

- Petroleum type indicates the type of petroleum on which the import fee is assessed and/or the nature of the facility or petroleum release which can be addressed by the fund.
- Financial responsibility of up to \$1,000,000 for cleanup costs and third-party damages is required for all federally regulated motor fuel underground storage tanks. The ODDCF is the financial responsibility mechanism for all federally regulated underground storage tanks in New Hampshire. The ODDCF, FODCF, and MODCF operate as excess insurance funds. The GREE fund operates as a remediation fund only. This fund is available to owners of public and private water supplies who incur costs for periodic monitoring and for replacement of contaminated supplies, and owners of sites that are a source of gasoline ether contamination. The fund is also available to pay DES contractor costs for providing temporary potable water and performing investigations to determine sources of gasoline ether contamination.

OIL FUND DISBURSEMENT BOARD MEMBERS

Rep. Robert G. Holbrook, Chairman
Representing: N.H. House

Kevin A. Sheppard, P.E., Vice Chairman
Representing: General Public

Sen. John S. "Jack" Barnes, Jr.
Representing: N.H. Senate

Sen. Frank V. Saporeto
Representing: N.H. Senate

Rep. D.L. Chris Christensen
Representing: N.H. House

James E. Connolly, Jr.
Representing: General Public

Ronald R. Poirier
Representing: Petroleum Dealers

James E. Robertson
Representing: Petroleum Distributors

Thomas J. Frawley
Representing: Petroleum Refiners

Raymond Bellemore
Representing: Fuel Oil Dealers

Anthony P. Giunta, P.G.
Representing: NHDES

Scott R. Bryer, CPA
Representing: Dept. of Safety

STATE OF NEW HAMPSHIRE

Petroleum Reimbursement Fund Program
RSA 146-D, RSA 146-E, RSA 146-F, and RSA 146-G

Annual Report



Oil Fund Disbursement Board

October 1, 2004

FORWARD

The members of the Oil Fund Disbursement Board express their grateful appreciation to Chairman Robert G. Holbrook and extend best wishes on the occasion of his retirement as a Representative to the New Hampshire General Court. During a ten-year tenure as Chairman of the Board, Representative Holbrook was an outstanding leader and steadfast voice in the Legislature advocating protection of public health and the environment.

Kevin A. Sheppard, P.E., Vice Chairman
Sen. John S. "Jack" Barnes, Jr.
Sen. Frank V. Sapareto
Rep. D.L. Chris Christensen
James E. Connolly, Jr.
Ronald R. Poirier
James E. Robertson
Thomas J. Frawley
Raymond Bellemore
Anthony P. Giunta, P.G.
Scott R. Bryer, CPA

October 25, 2004

TABLE OF CONTENTS

	<u>Page</u>
PROGRAM BACKGROUND	1
ASSISTANCE TO N.H. COMMUNITIES & STATE ECONOMIC DEVELOPMENT	2
PROGRAM OBJECTIVES & ACTIVITY	2
LEGISLATIVE & RULEMAKING ACTIVITY	3
INCOME & EXPENDITURES	3
Operating Revenues	
Administrative Costs	
Corrective Action Expenses	
Release Prevention/Research Expenses	
Fund Solvency	
DISTRIBUTION OF CORRECTIVE ACTION PROJECTS & EXPENDITURES	5
PROGRAM RECOGNITION	7
SUMMARY OF FINANCIAL ACTIVITY	8
CORRECTIVE ACTION PROJECT DISTRIBUTION	9
ELIGIBLE COSTS BY COMMUNITY	10
CORRECTIVE ACTION EXPENDITURE DISTRIBUTION	11

Program Background

The New Hampshire Petroleum Fund Program is a financial assistance program for owners of petroleum storage facilities, owners of public or private water supplies, and *new for 2004*, owners of properties identified as a source of gasoline ether contamination - typically methyl tertiary-butyl ether (MtBE). The program is comprised of four separate dedicated funds authorized by state statute. These funds are; the Oil Discharge & Disposal Cleanup Fund under authority of RSA 146-D, the Fuel Oil Discharge Cleanup Fund under authority of RSA 146-E, the Motor Oil Discharge Cleanup Fund under authority of RSA 146-F, and the Gasoline Remediation & Elimination of Ethers Fund under authority of RSA 146-G. The RSA 146-D fund was enacted into law in July 1988, and program operations began in 1990. The other three funds were added to the program in subsequent years, the most recent being the RSA 146-G fund in July 2001. In total years, the fund program has a long history of service to the citizens of New Hampshire in providing financial resources to remedy environmental impacts.

The RSA 146-D, E & F funds provide "excess insurance" coverage for owners of underground storage tank (UST) facilities, owners of above ground storage tank facilities, and owners of on-premise-use heating oil facilities (including residential properties). Together, these three funds comprise a comprehensive insurance program that protects facility owners from financial devastation and ensures timely and cost-effective corrective action of petroleum

contamination. Owners of petroleum storage facilities may request reimbursement for corrective action costs incurred due to facility releases. To qualify for state fund coverage, the facility must be in substantial compliance with all applicable state and federal rules for facility operation and maintenance, to reduce the risk of releases. In addition, under RSA 146-E, homeowners who demonstrate financial need may receive up to \$1,000 in funds for repair or replacement of substandard fuel oil storage tank systems, to prevent releases. In the years ahead this rapidly developing program will significantly reduce corrective action expenses.

The RSA 146-G fund is available to remedy contamination due to MtBE or other gasoline ethers, and is not a petroleum storage facility excess insurance program. Therefore, monies expended from this fund may be recoverable by the state under certain circumstances. The fund is also available to support research into the cause and prevention of gasoline ether releases. Late in 2004, a large and comprehensive study project will commence to assess the risk that MtBE contamination poses to public water supply wells. Weston Solutions, Inc., a private consulting firm, will perform this work with a scheduled completion date of December 2005. During 2004 and 2005, University of New Hampshire Environmental Research Group (UNHERG) scientists are studying the operating efficiency and effectiveness of MtBE contamination treatment systems

used by the Department of Environmental Services (DES) at various private water supply locations throughout the state. In 2003, UNHERG completed a study of the magnitude and distribution of MtBE contamination in Paugus Bay, which is the primary water supply for the City of Laconia. A copy of the Paugus Bay study report is available from DES.

The fund program is administered by the Oil Fund Disbursement Board (Board), which is composed of twelve members representing the N.H. Legislature, the petroleum industry, state agencies and the general public. The Board is administratively attached to DES, which performs program support services. The Board meets monthly to hear appeals, approve activity reports, and review policies and procedures.

Reimbursements from the Oil Discharge & Disposal Cleanup Fund (ODDCF), the Fuel Oil Discharge Cleanup Fund (FODCF) and the Motor Oil Discharge Cleanup Fund (MODCF) are subject to Board policies and the requirements of N.H. Admin. Rules Part Odb 401 effective July 22, 1997. Reimbursements from the Gasoline Remediation & Elimination of Ethers (GREE) Fund are subject to N.H. Admin. Rules Part Odb 601 effective January 29, 2002.

Additional program information is available by request, or may be obtained directly at:

http://www.des.state.nh.us/orcb_hwrp.htm

Assistance To N.H. Communities & State Economic Development

Since disbursements began in 1990, the fund program has returned over \$105M to individuals, small business owners, corporations, political subdivisions and agencies of the state. Petroleum storage facility owners or individuals in nearly every community have received fund program monies. (See Table 5 at the end of this report.)

Fund program disbursements provide a direct benefit in protecting public health and in environmental damage restoration. In addition, the program provides ancillary economic development benefits through employment of corrective action service providers and property revitalization.

Program Objectives & Activity

The Board and DES work cooperatively to ensure that the goals established for each fund by statute are met. That is, protection of public health and the environment through the funding of remediation activities for petroleum contamination in soil and water. DES staff focus on moving corrective action projects toward regulatory closure in a timely manner. This activity includes review and approval of corrective action work scopes and budgets, activity reports, and reimbursement requests. In a typical month, DES staff will review and approve 70 work scopes/budgets, 200 corrective action activity reports and 220 reimbursement requests ranging from under \$1,000 to over \$100,000. Whenever possible, innovative and performance-based strategies are employed to improve corrective action

results and decrease the time to complete regulatory closure of a project.

The Board oversees financial management of the funds including development and implementation of rules, policies and procedures for fund eligibility and reimbursement request processing. A Subcommittee works directly with DES staff on major projects, management issues, and approval of reimbursement requests. In its efforts, the Board may employ independent auditors or consultants, and relies on the Department of Justice for legal counsel.

Legislative & Rulemaking Activity

As discussed previously, under the FODCF homeowners who demonstrate financial need may receive up to \$1,000 in funds for repair or replacement of substandard fuel oil storage tank systems, to prevent releases. In 2005, legislative members of the Board will sponsor a bill to increase the existing \$1,000 funding limit established in 1999. An upward adjustment of the funding limit is warranted due to inflation and other market changes. The Board will also propose amendments to the 1997 and 2002 fund program administrative rules to codify various policy statements and implement new efficiencies.

In 2003, legislative members of the Board sponsored a bill on behalf of the Department of Safety (DOS), to correct inconsistencies in the rate of interest assessed on past-due import fees under the various funds. Ultimately, these interest rate provisions were enacted into law under SB 47-FN. However, the most notable provisions of SB 47-FN related to a transfer of \$1M dollars to

other state funds from the FODCF, MODCF, and an additional DES oil program fund established under RSA 146-A. The SB 47-FN transfer legislation was enacted as a compromise to another transfer proposal that would have reduced the balance in the ODDCF by \$5M dollars. If enacted into law, the \$5M dollar transfer would have significantly degraded ODDCF solvency.

The Board and DES appreciated the opportunity that was afforded by the legislative leadership to reach a compromise to reduce the impact on the fund program. Of the \$1M dollar total, \$200,000 was transferred from the FODCF, and \$700,000 from the MODCF. The transfer of \$200,000 contributed to a temporary FODCF cash flow problem in 2004, while the \$700,000 transfer had no negative effect on the MODCF. However, the Board is concerned that new transfers may be proposed during the 2006 – 2007 state operating budget approval process, now underway, with potential deleterious effects on program operations. Thus the Board and DES will continue to work closely with legislative and fiscal committee leadership.

Income & Expenditures

Annual operating revenue to the ODDCF, FODCF and MODCF is provided through import fees on petroleum products. (These import fees are collected by DOS, as are other motor fuel fees for other state agencies.) Annual operating revenue to the GREE Fund is provided through transfers from the ODDCF. Each fund has a balance “ceiling and floor” established by statute, such that import

fee collections are suspended when the ceiling is reached and collections resume when the balance is paid-down to the floor. Maintenance of a sufficient balance, combined with annual revenues, is critical to fund solvency. Ensuring that sufficient funds are available to support present and future corrective action projects is a primary focus of program planning.

Fund program financial operations follow the state Fiscal Year (FY) calendar of July 1st to June 30th, and the state biennium budget cycle. The current state FY is 2005, which began July 1, 2004. Tables 1-3 summarizing (comparative) FY 2003 & 2004, historic, and FY 2005 & FY 2006 projected revenues and expenditures for the four-fund program, are included in the *Summary of Financial Activity* section at the end of this report.

The Board is pleased to report the majority of program revenues are directed to achieving established goals and objectives, while (historic) overall administrative costs for the four-fund program are 8% of total expenditures. Overhead expenses are minimized through a management strategy based on two key tenets. First, DES supervisory, project management, facility compliance and administrative staff supported by the funds are able to work under all four funds on a program basis, through the use of inter-fund transferred expenditures. This shared approach facilitates full utilization of day-to-day staff-hour resources and minimizes idle time. Second, overtime funds are available to provide additional staff-hours as needed to meet peak

workload demands through staff equivalents, versus maintaining sufficient full-time staff to cover all potential workload demands.

In FY 2004, DES full-time and equivalent-time staff processed reimbursements and managed corrective action contract work totaling \$16M dollars.

Operating Revenues: For FY 2004, DOS reported that motor fuel import fee revenues generally increased over the previous year. ODDCF revenues increased from \$12.2M dollars in FY 2003 to \$14.1M dollars in FY 2004. This increase is due in large part to suspension of import fee transfers to the GREE Fund, which reached its \$2.5M dollar ceiling in December 2002. GREE Fund transfers were reinstated in March 2004, when the balance decreased to its \$1M dollar floor. Therefore, ODDCF revenues are expected to decrease in FY 2005, but a general increasing trend is predicted for future years. FODCF revenues decreased from \$3.7M dollars in FY 2003 to \$0.8M dollars in FY 2004, as import fee collections were suspended in August 2003 after the \$2.5M dollar ceiling was reached. However, FODCF collections were reinstated in March 2004, due to the high demand for this fund, and the \$200,000 transfer under SB 47-FN. A decline of the FODCF balance in 2004 contributed to a short period of delayed payment of cost reimbursement claims. The situation was corrected with the reinstatement of import fee collections. FY 2005 and FY 2006 FODCF revenues are expected to meet expenditure

demands. Similarly, MODCF fee collections were re-instated following the transfer of \$700,000 under SB 47-FN. FY 2005 and FY 2006 MODCF revenues are expected to reflect historic average figures.

Administrative Costs: Administrative costs generally increased during FY 2004, as new positions and existing position vacancies were filled and staff received approved salary increments. Specific increases in all funds resulted from (1) a change in benefits costs to the state and (2) newly assessed indirect costs. However, as noted previously, overall program administrative costs are a low 8% of total expenditures. FY 2005 and FY 2006 budgeted administrative costs are based on an assumption that all positions remain filled, and applying conservative estimates for inter-fund operation expenditure transfers and other program costs. Actual administrative costs are typically below approved budgets.

Corrective Action Expenses: Corrective action expenses generally increased during FY 2004. The largest increase occurred with the GREE Fund, at 104% over FY 2003 levels. This increase was primarily due to finalization of a major water main construction project for the Town of Salem, and new installations of treatment systems for contaminated water supply wells. FY 2004 ODDCF, FODCF and MODCF expenses were consistent with FY 2003, and are expected to remain at FY 2004 levels, or increase, in the future. The

distribution of corrective action costs is discussed in more detail in the next section.

Release Prevention/Research Expenses: FY 2004 FODCF expenses for prevention of releases from residential fuel oil tanks increased 84% over FY 2003 levels. This increase is attributable to growth of this important program that will continue to offer benefits in future years through reduced corrective action expenses. FY 2004 was the second year for GREE Fund research expenses, which are expected to remain consistent in future years, as needed.

Fund Solvency: As noted previously, maintenance of sufficient fund balances is critical to solvency. Fund solvency is critical to ensuring that sufficient funds are available to support present and future corrective action projects. Limited funding results in delays in corrective action cost reimbursement and resultant delays in performing work. Delays in performing work increase the risk to public health and the environment as contaminants move further from the source property, through soil and water media. At this time, the ODDCF is at risk of future insolvency based on projected income and expenditures. The Board will monitor this situation closely in FY 2005 and FY 2006.

Distribution of Corrective Action Projects & Expenditures

For a typical project, the sequence of "phased" corrective action work from discovery of a release through regulatory closure is: Emergency Services, Initial Response, Site Characterization, Site Investigation, Remedial Plan, Remedial

Plan Implementation and finally, Monitoring. The nature of the product released dictates the type of work needed to complete corrective action. A gasoline release will spread further in environmental media such as soil and groundwater hence, a comprehensive site investigation is usually required prior to remedial plan development and remedial plan implementation. In contrast, contamination from a fuel oil release is most often limited to soil. Therefore, most fuel oil corrective action work typically occurs under the Initial Response phase, and these projects move quickly to regulatory closure without a comprehensive site investigation.

The majority of corrective action work currently funded under the ODDCF is associated with releases of gasoline and diesel products from regulated USTs, reported during the period from the late 1980s through December 1998. After 1998, most operating UST facility owners achieved substantial compliance with regulations and the number of releases significantly decreased. However, in the past few years, the incidence of second releases at existing fund program-eligible UST facility locations has increased, with MtBE as the principal contaminant of concern. DES is working with public and private sector partners to determine the causes of second releases and develop solutions.

Corrective action expenses from 1990 through the present were evenly distributed among the Initial Response, Site Investigation, Remedial, and

Monitoring phases as new projects were initiated and existing projects closed. Over the next few years, the percentage of remedial costs will increase, as regulatory closure of the remaining active UST projects is completed, and the discovery of new releases requiring investigation diminishes. In comparison, the majority of work under the FODCF was associated with releases of fuel oil from residential tanks, with 58% of expenses for Initial Response. There are approximately 180 existing residential fuel oil release projects that are not closed, and 149 new releases were reported in calendar 2003. Activity under the MODCF has been limited due to few reported releases. The majority of existing projects are in the investigation phase.

As noted previously, the GREE Fund differs from the other funds in applicability and operation. Corrective action work is primarily directed toward remedies for parties impacted by MtBE contamination. Therefore, expenses are for interim water supplies and associated monitoring, and for permanent water supplies. Permanent water supplies include replacement private water supply wells and extensions of municipal water main systems to serve numerous contaminated properties. The Town of Salem is nearing completion on a major water main extension project.

In 2004, the Board authorized significant expansion of the GREE Fund program to include coverage for owners of gasoline ether contamination source properties to conduct investigations and implement remedies. (Motor vehicle salvage yards are

a typical MtBE contamination source location.) In addition, public water supply owner funding was expanded to include coverage for periodic MtBE monitoring and customer notification.

Program corrective action project statistics are reported on a calendar year basis and are provided in Table 4 at the end of the report. Figures 1-4 illustrate the historic distribution of corrective action project costs, for purposes of comparison among the four funds.

Program Recognition

New Hampshire's petroleum programs continue to receive high marks from USEPA, consulting engineers, petroleum industry representatives, and facility owners. New Hampshire has achieved nearly 100% regulatory compliance in its efforts to remove or upgrade substandard USTs. Therefore, the risk of future releases and impacts to the ODDCF are greatly reduced, versus 14 years ago when the program began. In addition, the fuel oil release prevention program will greatly reduce future corrective action expenditures and impacts to the FODCF. Our performance places us at the top tier nationally among the states. The Board and DES work cooperatively to ensure continuous improvement in management of the four funds.

Summary of Financial Activity

Table 1. - FY 2004 & 2003 Comparative

<i>Category</i>	<i>Oil Discharge & Disposal Cleanup Fund (RSA 146-D)</i>		<i>Fuel Oil Discharge Cleanup Fund (RSA 146-E)</i>		<i>Motor Oil Discharge Cleanup Fund (RSA 146-F)</i>		<i>Gasoline Remediation & Elimination of Ethers Fund (RSA 146-G)</i>	
Fiscal Year	2004	2003	2004	2003	2004	2003	2004	2003
Beginning Balance	\$6,509,189	\$6,164,623	\$3,035,565	\$2,839,790	\$206,576	\$1,034,327	\$2,128,848	\$2,135,038
Revenues (1)	\$14,121,743	\$12,188,741	\$834,074	\$3,679,456	\$204,672	\$11,689	\$606,826	\$890,694
Administrative Costs (2)	(\$770,722)	(\$683,087)	(\$225,225)	(\$111,873)	(\$61,203)	(\$64,731)	(\$373,385)	(\$308,662)
Corrective Action Expenses	(\$11,850,226)	(\$11,290,914)	(\$2,599,859)	(\$2,972,127)	(\$76,851)	(\$74,709)	(\$1,077,220)	(\$527,554)
Release Prevention/ Research Expenses	N.A.	N.A.	(\$366,546)	(\$199,681)	N.A.	N.A.	(\$29,591)	(\$60,668)
Adjustments (3)		\$129,826		(\$200,000)		(\$700,000)		
Ending Balance	\$8,009,984	\$6,509,189	\$678,011	\$3,035,565	\$273,194	\$206,576	\$1,255,478	\$2,128,848

Table 2. - Historic Performance

<i>Category</i>	<i>Oil Discharge & Disposal Cleanup Fund (RSA 146-D)</i>	<i>Fuel Oil Discharge Cleanup Fund (RSA 146-E)</i>	<i>Motor Oil Discharge Cleanup Fund (RSA 146-F)</i>	<i>Gasoline Remediation & Elimination of Ethers Fund (RSA 146-G)</i>
Program Initiation	1990	1993	1995	2002
Revenues	\$100,829,026	\$22,824,050	\$1,879,877	\$4,098,310
Administrative Costs	(\$7,555,955)	(\$1,028,617)	(\$209,680)	(\$732,698)
Loan Expense (4)	N.A.	(\$2,000,000)	(\$400,000)	N.A.
Corrective Action Expenses	(\$85,392,913)	(\$18,054,936)	(\$297,003)	(\$2,009,875)
Release Prevention/ Research Expenses	N.A.	(\$862,486)	N.A.	(\$100,259)
Adjustments	\$129,826	(\$200,000)	(\$700,000)	
Balance – FY 2004	\$8,009,984	\$678,011	\$273,194	\$1,255,478

NOTES TO TABLES 1 & 2:

- (1) Total revenues include import fees, interest and inter-fund transfers.
- (2) Administrative costs include DES services, Dept. of Safety import fee collection activities, and Dept. of Justice and other legal services.
- (3) Year-end or other adjustments to revenues or expenses result from reconciliation of inter-account discrepancies, or legislative inter-fund transfers.
- (4) Loan expenses result from repayment of program start-up funds and other inter-fund loans.

Table 3. - FY 2006 & 2005 *Projected*

Category	Oil Discharge & Disposal Cleanup Fund (RSA 146-D)		Fuel Oil Discharge Cleanup Fund (RSA 146-E)		Motor Oil Discharge Cleanup Fund (RSA 146-F)		Gasoline Remediation & Elimination of Ethers Fund (RSA 146-G)	
	2006	2005	2006	2005	2006	2005	2006	2005
Beginning Balance	\$8,042,179	\$8,009,984	\$916,514	\$678,011	\$320,316	\$273,194	\$1,419,045	\$1,255,478
Revenues (1)	\$12,500,000	\$12,500,000	\$3,800,000	\$3,800,000	\$250,000	\$250,000	\$1,800,000	\$1,800,000
Administrative Costs (2)	(\$1,186,018)	(\$967,805)	(\$271,077)	(\$286,497)	(\$189,726)	(\$112,878)	(\$862,620)	(\$506,433)
Corrective Action Expenses (3)	(\$11,500,000)	(\$11,500,000)	(\$2,875,000)	(\$2,875,000)	(\$90,000)	(\$90,000)	(\$1,100,000)	(\$1,100,000)
Release Prevention/ Research Expenses (3)	N.A.	N.A.	(\$550,000)	(\$400,000)	N.A.	N.A.	(\$30,000)	(\$30,000)
Adjustments (4)								
Ending Balance	\$7,856,161	\$8,042,179	\$1,020,437	\$916,514	\$290,590	\$320,316	\$1,226,425	\$1,419,045

NOTES TO TABLE 3:

- (1) Total estimated revenues are based on the average of previous 2 fiscal years where import collections were active, and include import fees, interest and inter-fund transfers. RSA 146-E collections, and transfers from the RSA 146-D to RSA 146-G funds, resumed during FY 04.
- (2) Administrative costs are as currently budgeted and include DES services, Dept. of Safety import fee collection activities, and Dept. of Justice and other legal services.
- (3) Estimated corrective action, release prevention and research expenses reflect anticipated demand based on previous years, and approved budgets for future work.
- (4) No year-end or other adjustments are anticipated.

Corrective Action Project Distribution

Table 4. - Totals As of September 16, 2004

Category	Oil Discharge & Disposal Cleanup Fund (RSA 146-D)	Fuel Oil Discharge Cleanup Fund (RSA 146-E)	Motor Oil Discharge Cleanup Fund (RSA 146-F)	Gasoline Remediation & Elimination of Ethers Fund (RSA 146-G)
Total Projects	1,430	1,085	27	69
Closed Projects	613	896	14	10
Active Projects	817	189	13	59
New Projects in Calendar 2003	12	149	1	20

Eligible Costs By Community – All Funds

Table 5. - Totals As of September 16, 2004

Acworth	\$19,293	Concord	\$3,462,819	Hampstead	\$1,014,303	Mason	\$867,430	Plymouth	\$2,261,995	Weare	\$2,031,382
Albany	\$246,563	Contoocook	\$985	Hampton	\$724,766	Melvin Village	\$750	Portsmouth	\$2,851,257	Webster	\$498
Allenstown	\$323,698	Conway	\$1,156,908	Hampton Falls	\$63,177	Meredith	\$2,316,275	Raymond	\$349,914	Westmoreland	\$44,158
Alstead	\$84,117	Cornish	\$45,394	Hancock	\$11,270	Merrimack	\$772,117	Richmond	\$665,535	Whitefield	\$152,360
Alton	\$468,825	Croydon	\$36,085	Hanover	\$1,063,469	Middleton	\$32,001	Rindge	\$110,138	Wilmot	\$70,740
Amherst	\$261,674	Dalton	\$482,456	Harrisville	\$94,230	Milan	\$11,505	Rochester	\$2,653,581	Wilton	\$228,569
Andover	\$108,772	Danbury	\$18,920	Haverhill	\$435,748	Millford	\$1,463,215	Rollinsford	\$407,054	Winchester	\$653,376
Antrim	\$344,092	Danville	\$220,010	Hebron	\$14,989	Millon	\$140,384	Rumney	\$29,361	Windham	\$3,145,530
Ashland	\$149,296	Deerfield	\$291,213	Henniker	\$293,336	Mont Vernon	\$121,939	Rye	\$389,295	Wolfeboro	\$1,347,343
Atkinson	\$7,758	Deering	\$23,165	Hill	\$30,505	Moultonborough	\$844,368	Salem	\$2,875,383	Woodstock	\$66,574
Auburn	\$257,044	Derry	\$1,378,293	Hillsboro	\$1,419,353	Nashua	\$4,068,013	Salisbury	\$23,171		
Barnstead	\$344,063	Dixville	\$124,302	Hinsdale	\$150,760	Nelson	\$321,732	Sanbornton	\$120,141		
Barrington	\$152,376	Dover	\$4,152,017	Holderness	\$71,669	New Boston	\$96,628	Sandown	\$106,093		
Bartlett	\$298,176	Dublin	\$67,019	Hollis	\$245,593	New Castle	\$189,331	Sandwich	\$267,350		
Bath	\$31,155	Dunbarton	\$267,221	Hooksett	\$736,393	New Durham	\$41,453	Seabrook	\$704,361		
Bedford	\$837,118	Durham	\$665,744	Hopkinton	\$517,100	New Hampton	\$925	Sharon	\$10,114		
Belmont	\$502,570	East Kingston	\$18,285	Hudson	\$845,437	New Ipswich	\$170,013	Somersworth	\$1,996,258		
Bennington	\$171,458	Enfield	\$1,038,119	Jackson	\$40,258	New London	\$571,136	South Hampton	\$21,584		
Berlin	\$429,690	Epping	\$686,565	Jaffrey	\$916,215	Newbury	\$201,163	Stark	\$13,859		
Bethlehem	\$285,113	Epsom	\$1,298,328	Jefferson	\$196,552	Newfields	\$77,576	Stewartstown	\$55,502		
Boscawen	\$119,409	Errol	\$316,645	Keene	\$1,486,579	Newington	\$686,229	Stoddard	\$410,049		
Bow	\$298,762	Exeter	\$1,547,638	Kensington	\$89,099	Newmarket	\$334,031	Strafford	\$328,384		
Bradford	\$1,185,803	Farmington	\$295,080	Kingston	\$696,278	Newport	\$870,335	Stratford	\$50,943		
Brentwood	\$226,400	Fitzwilliam	\$215,664	Laconia	\$2,918,677	Newton	\$387,566	Stratham	\$749,662		
Bridgewater	\$61,458	Francesstown	\$53,632	Lancaster	\$808,343	North Conway	\$850	Sugar Hill	\$27,338		
Bristol	\$519,858	Franconia	\$85,762	Lebanon	\$3,409,401	North Hampton	\$436,356	Sullivan	\$36,743		
Brookfield	\$7,152	Franklin	\$946,734	Lee	\$1,392,695	Northfield	\$195,135	Sunapee	\$170,690		
Brookline	\$44,140	Freedom	\$168,957	Lempster	\$202,958	Northumberland	\$179,586	Sury	\$17,767		
Campton	\$612,204	Fremont	\$265,783	Lincoln	\$51,227	Northwood	\$593,616	Sutton	\$235,460		
Canaan	\$764,108	Gilford	\$1,174,351	Lisbon	\$89,124	Nottingham	\$111,339	Swanzey	\$264,875		
Candia	\$361,632	Gilmanton	\$177,708	Litchfield	\$1,000	Orford	\$133,246	Tamworth	\$222,450		
Canterbury	\$268,527	Gilsum	\$13,243	Littleton	\$628,171	Ossipee	\$1,303,668	Temple	\$4,338		
Carroll	\$198,284	Goffstown	\$1,464,949	Londonderry	\$821,122	Pelham	\$499,358	Tilton	\$1,598,571		
Center Harbor	\$18,044	Gorham	\$503,335	Loudon	\$123,201	Pembroke	\$74,293	Troy	\$55,892		
Charlestown	\$129,183	Goshen	\$87,004	Lyme	\$23,093	Peterborough	\$867,949	Tuftsboro	\$693,918		
Chester	\$124,911	Grafton	\$12,458	Lyndeborough	\$8,640	Piermont	\$256,990	Unity	\$199,722		
Chesterfield	\$215,847	Granham	\$246,050	Madbury	\$157,074	Pinkham's Grant	\$215,791	Wakefield	\$1,293,628		
Chichester	\$1,233,381	Greenfield	\$43,496	Madison	\$63,211	Pittsburg	\$74,797	Walpole	\$167,235		
Claremont	\$1,172,830	Greenland	\$1,088,282	Manchester	\$8,395,120	Pittsfield	\$653,864	Warner	\$154,386		
Clarksville	\$850	Greenville	\$116,360	Marlborough	\$125,520	Plainfield	\$153,320	Warren	\$223,805		
Colebrook	\$100,675	Groton	\$15,945	Marlow	\$70,339	Plaistow	\$1,439,324	Waterville Valley	\$144,114		

Corrective Action Expenditure Distribution

Figure 1. - Oil Discharge & Disposal Cleanup Fund

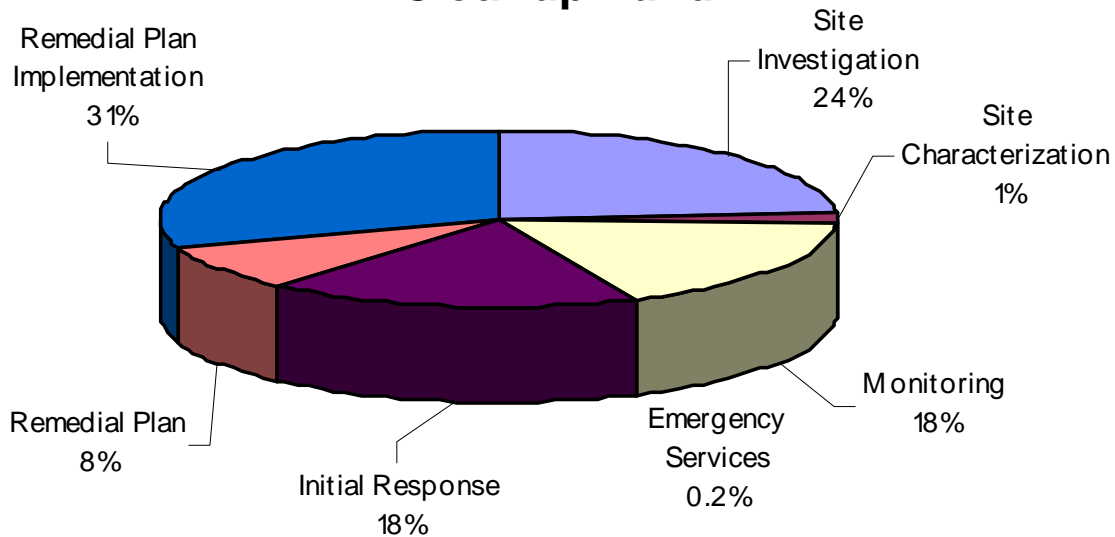


Figure 2. - Fuel Oil Discharge Cleanup Fund

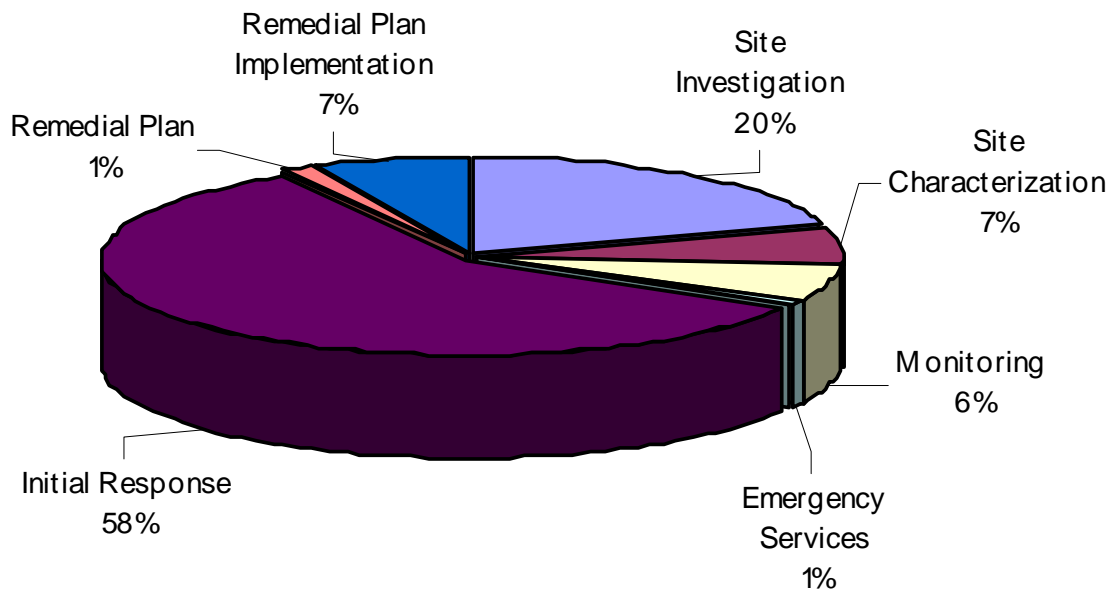


Figure 3. - Motor Oil Discharge Cleanup Fund

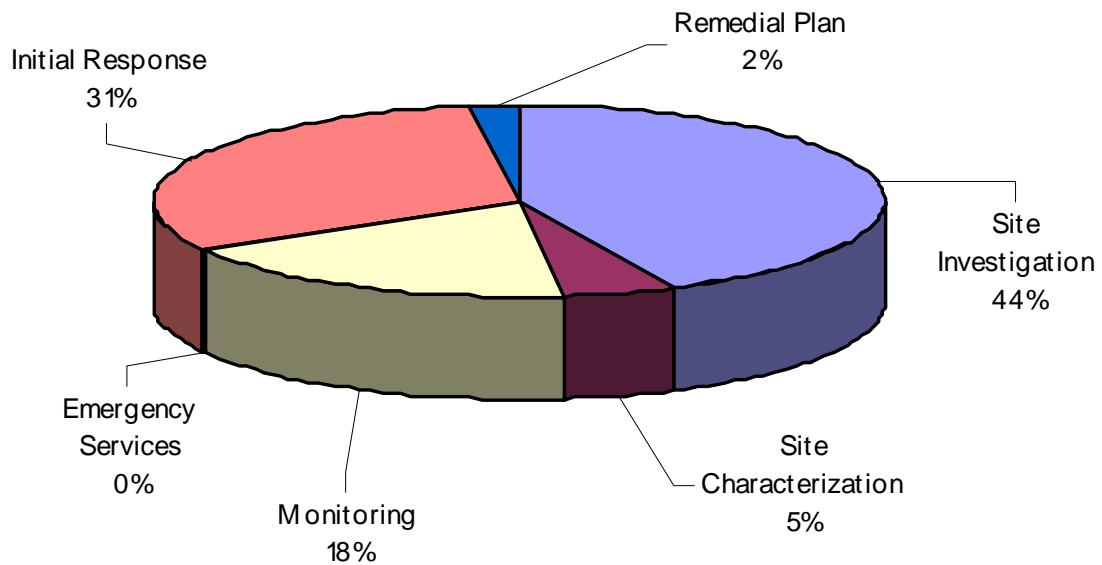


Figure 4. - Gasoline Remediation & Elimination of Ethers Fund

